

The Energy And Technology Committee

February 28, 2006

Raised SB 353: AAC INDEPENDENT SYSTEM OPERATOR MEMBERSHIP

Testimony of

The Office of Consumer Counsel

Mary J. Healey, Consumer Counsel

The Office of Consumer Counsel (OCC) has carefully reviewed Raised **SB 353: AAC Independent System Operator Membership**, which seeks to direct the Department of Public Utility Control to devise a plan for the withdrawal of the state's electric distribution companies from the independent system operator.

While there may be merit to a review of the process of a withdrawal of the state's electric distribution companies from the independent system operator, this is an issue that will require substantial attention to the multitude of details inherent in such a course. There are, for instance, significant operational and legal difficulties, including many contracts and statutory requirements that would need to be sorted out prior to any such development. This could, in turn, require substantial additional costs for which a careful cost/benefit analysis would be essential.

The OCC would suggest that this concept be carefully studied in perhaps a less formal way than through a contested case before the DPUC. A study group might be the most effective route to take at this early stage, making certain to invite all interested parties in an open and frank discussion of the merits and potential difficulties. The OCC would very much want to participate in all activities related to this bill and believes it can bring detailed expertise that will serve to make this bill a force for positive change.